

Fact Sheet

Investment objective	A dividend yield (before fees) which is higher than the S&P/ASX300 A-REIT Accumulation Index and a total return in excess of the CPI + 3% over rolling five year periods (before fees).		
Investments held	<p>The Fund primarily invests in A-REITs and may also invest in real estate management, development and infrastructure securities. An A-REIT is a collective investment vehicle, which owns a portfolio of real property, thus providing for a wider form of ownership. A-REITs are listed on the ASX, and their prices fluctuate with supply and demand, as with equity instruments. As a rule A-REITs derive the bulk of their income from rental property income.</p> <p>The Fund generally seeks to invest in A-REITs that exhibit an above average proportion of their income sourced from rents rather than more volatile income streams such as third party construction or development. As a result of this strategy, the Fund's investment portfolio has very different weights to that of the S&P/ASX300 A-REIT Index.</p> <p>The S&P/ASX300 A-REIT Index has changed so much that there is now a significant concentration of the largest stocks in this index. The Investment Manager believes that the investment strategy for the Fund is likely to provide superior portfolio diversification (by setting a maximum portfolio weight for any individual security in the portfolio at 15%), and the potential for a higher income yield than the S&P/ASX300 A-REIT Index.</p>		
Investment Manager	SG Hiscock & Company		
APIR	ETL0119AU	mFund Product Code	SHF03
Commencement	30 November 2005	Buy spread	+0.25%
Management costs¹	0.95% p.a.	Sell spread	-0.25%
Minimum initial investment	\$20,000	Investment pool size	\$294.39 million

Unit Prices	Application	Net Asset Value	Withdrawal
31 January 2019	\$ 0.3352	\$ 0.3344	\$ 0.3336

Performance as at 31 January 2019 ²	1 mth %	3 mths %	6 mths %	1 yr %	3 yrs % p.a.	5 yrs % p.a.	7 yrs % p.a.	10 yrs % p.a.
Distribution Return	0.00	1.27	1.46	7.86	12.77	13.29	11.49	10.02
Growth Return	4.61	3.83	-1.48	-2.46	-5.38	-1.82	1.62	6.07
Total Net Return	4.61	5.10	-0.02	5.40	7.39	11.47	13.11	16.09
CPI + 3% pa	0.38	1.15	2.30	4.60	4.60	4.80	5.00	5.15
S&P/ASX 300 A-REIT Accum. Index	5.96	7.50	5.21	13.10	9.30	13.74	14.52	12.43

Top 5 holdings as at 31 January 2019
Stockland Property Trust
Scentre Group
Vicinity Centres
Unibail-Rodamco-Westfeild -CDI
Charter Hall Retail REIT

Top 5 holdings represent 63.14% of the total Fund.

Distribution Period	Cents per Unit
31-Dec-17	0.4160
31-Mar-18	0.1871
30-Jun-18	1.9741
30-Sep-18	0.0852
31-Dec-18	0.3905

Asset Allocation as at 31 January 2019	
Australian REITS	97.52
Cash	2.48



1. Includes estimated GST payable, after taking into account Reduced Input Tax Credits ("RITC").

2. Performance: Distribution Return is the return due to distributions paid by the Fund, Growth Return is the return due to changes in initial capital value of the Fund, Total Net Return is the Fund return after the deduction of ongoing fees and expenses and assumes the reinvestment of all distributions.

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Strategy

We continue to target AREITs that provide solid fundamentals over the medium-to-long-term that are trading attractively relative to other AREITs. Overall we endeavour to invest in entities that offer a combination of:

- A Net Present Value (“NPV”) Discount;
- An Internal Rate of Return (“IRR”) Premium;
- Ideally a (Real, not manufactured) Free Cashflow Yield Premium; and
- A Lower Price to Net Asset Value (“NAV”).

The S&P/ASX 300 Property Accumulation Index experienced a 6.0% jump in January. The AREIT sector benefitted from expectations (both here and abroad) of Interest Rates remaining on-hold (or potentially being cut domestically). This coupled with a number of Companies reporting earnings misses, saw the AREITs benefit from generalist investor flows, seeking a safe-haven. (All this after most of the AREIT sector participants traded on an Ex-Distribution basis in late-December). The AREITs still underperformed Global REITs, which rocketed up 10.0%, led by HK, the USA and Europe. The broader market in Australia (S&P/ASX 300 Accumulation Index) still finished up an impressive at 3.9%, led by the Resources sector.

Top Contributors to the Portfolio Return:

Month	Stock Return %	Comment
Unibail-Rodamco-Westfield	15.1	No news-flow for the month. Global REITs performed strongly, with the REIT outperforming.
Stockland	7.4	Announced further cancellation of its securities, as part of their On-Market Buy-Back, which commenced on 24 September 2018.
Abacus Property Group	12.5	There was no news-flow for the month in the AREIT.

Negative Contributors to the Portfolio Return:

Month	Stock Return %	Comment
Aventus Retail Property	-0.5	Announced its Distribution Reinvestment Plan Price for the December 2018 Quarter of \$2.06 per unit. This incorporates a 2.0% Discount to the 10-Day VWAP.
SCA Property Group	-2.4	Announced its Distribution Reinvestment Plan Price for the December 2018 Half of \$2.51 per unit. This incorporates a 1.0% Discount to the 10-Day VWAP. There was a 17.8% Participation Rate, with Moelis Underwriting the Distribution Reinvestment Plan for a 40% Take-Up Rate.

The *Professional Planner* | Zenith Fund Awards are determined using proprietary methodologies.

Fund Awards were issued October 5, 2018 and are solely statements of opinion and do not represent recommendations to purchase, hold or sell any securities or make any other investment decisions. Fund Awards are current for 12 months from the date awarded and are subject to change at any time. Fund Awards for previous years are referenced for historical purposes only.

For more information visit www.sghiscock.com.au

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